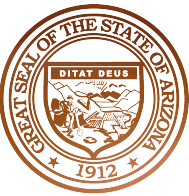


The Great Seal of the State of Arizona is a large, faint, circular emblem in the background. It features a central shield with a landscape scene, surrounded by the text "GREAT SEAL OF THE STATE OF ARIZONA" and the year "1912" at the bottom, flanked by two stars.

# **Fee Commission: Methodology for Reviewing Agencies**

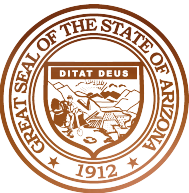
September 26, 2012



# Fee Commission Purpose

A.R.S. 41-1008.01, Section C states that the Fee Commission shall issue an annual, comprehensive report that includes all of the following:

- a) An inventory of the fees assessed by each of the reviewed agencies.
- b) An analysis of the methods used by agencies to set fees. The analysis may include a comparison of this state's agencies with other similar agencies in other southwestern states as well as a comparison with nationwide trends.
- c) An analysis of the effects that fees currently have on regulated industries, businesses or consumer groups for each agency as provided to the commission through written comments, testimony or any analysis performed by the governor's office of strategic planning and budgeting.
- d) An analysis of the long-term sustainability of the regulated program based on all fund sources.
- e) A list of agencies to be reviewed in the following year.
- f) An analysis of the effects recent budget reductions and fund transfers have had on agencies and their fee funds.

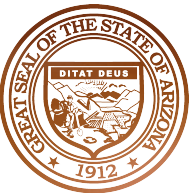


# Fee Research

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## **Agencies submitted the following:**

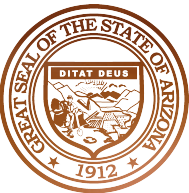
- An inventory of their fees
- The methodology for setting fees at their current rates
- Revenues from fees
- Expenditures from agency funds



# Fee Research

## **Types of Fee Structures in Agencies**

- Fees deposited into fee fund, expenditures out of fee fund
  - Fees for different programs have different funds
  - Fees for different programs have the same fund
- Fees deposited into General Fund, expenditures out of an appropriation from General Fund
- Combination



# Fee/Program Sustainability Research

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- Analysts considered:
  - Purpose of fees
  - Methodology for setting fees
  - Comparison to other states, if applicable.
  - Sustainability
    - Does fee produce more or less revenue than the cost of running the program that the fee supports?